

## UTILITIES COMMISSION

March 11, 2008

7:30 p.m.

The Stafford County Utilities Commission met for its regular meeting on March 11, 2008, in Conference Room A,B,C in the Stafford County Administration Center. Commission members present were Rick Carroll, Lloyd Chittum, Patricia Kurpiel, Bob Hunt, Bill Tignor and Clarence Young. Bob Bos, Dale Allen, Susan Fitzgibbon, and Cheryl Giles were present for the Utilities Department.

1. **Public Presentations** – There were no public presentations.
2. **Approval of Minutes** - Minutes for the February 12, 2008 meeting were approved as written.

The following two items were added to the agenda: Water restrictions update and newspaper article regarding pharmaceuticals in water supply.

3. **Financial Update** – Susan Fitzgibbon distributed copies of the County's 2007 Comprehensive Annual Financial Report (CAFR) and presented highlights relevant to the Utilities fund.

### **Statement of Net Assets:**

- Net Assets increased by \$18 million, bringing the Total Net Assets up to \$260 million.
- Total Liabilities are less than 10% of the Total Assets

### **Revenue, Expenses and Changes in Net Assets:**

- Operating revenues increased 11% over last year
- Operating expenses increased 12%
- Almost \$10 million in donated capital assets

### **Statement of Cash Flows:**

- Net decrease in cash of \$4 million, bringing balance down to \$80.5 million
- Interest and dividends on investments almost \$3.7 million

4. **Other Post Employment Benefits (OPEB)** – Susan Fitzgibbon explained the OPEB refers basically to post employment healthcare benefits. Susan reported that governments typically use a “pay-as-you-go” accounting approach for these expenses. The problem was that some governments were promising costly future benefits, but not adequately planning for a way to pay for these benefits. New accounting rules (GASB 45) require governments to calculate their Unfunded Accrual Liability. Different financing strategies are allowable under the new rules to address this liability. For Utilities, it is expected the \$3 million liability will be incorporated into the budget over the next three fiscal years (FY09, FY10 and FY11).

5. **Water Restrictions Update** – Bob Bos reported that both reservoirs are full and the County Administrator plans to lift the mandatory water restrictions, but would encourage people to conserve water.

Bob distributed a copy of a proposed ordinance and explained it includes a fifth block be added to the rate schedule. The purpose of the fifth block would be to encourage citizens to conserve water. The fifth block would apply to customers in excess of 20,000 gallons per month. Bob stated there were 762 customers who used more than 20,000 gallons per month during July 2007. Bob recommended the commission to hold a public hearing for the proposed ordinance.

Bill Tignor commented that a letter should be sent to customers who are over the 20,000 gallons per month informing them of the increase in fees. After some discussion, members agreed that a message should be put on the customer's water bill informing them of the proposed increase. Patricia Kurpiel made a motion to advertise a public hearing to be held in the Board Chambers for the proposed ordinance. The motion was seconded by Lloyd Chittum and passed unanimously.

**6. Pharmaceuticals In Water Supply Newspaper Article** – Bob Bos reported our wastewater treatment facilities test for over 100 different chemical compounds. However, we do not test for pharmaceuticals, but have a relatively safe record. Bob explained the EPA states there is not a health risk, but are looking into it. Patricia Kurpiel responded she would contact the R-Board to inquire about information regarding how to properly dispose of pharmaceuticals.

**7. Potomac Creek Interceptor Capacity** – Bob Bos provided background information about the Potomac Creek Interceptor and explained that on a long term basis the pumps, force mains and the Claiborne Sewer Interceptor need to be replaced.

**8. Golden Tap Award Dinner** – Bob Bos reported that plaques are typically presented to outgoing members at the dinner and requested the commission's recommendation for the three outgoing members. Chairman Hunt and members recommended that plaques should be presented to the three outgoing members at the Golden Tap Award dinner.

**9. Meeting Schedule & Time** – Chairman Hunt suggested meetings be held monthly and cancelled only if there are not enough items on the agenda. Patricia Kurpiel suggested starting the meetings at 7:00p.m. After some discussion, members agreed with Chairman Hunt's suggestion, but tabled the time change until member Wendy Surman has an opportunity to offer her comments.

**10. Commission Members Comments** – Patricia Kurpiel reported she has information regarding unsatisfactory work performed in Stafford County by a soil scientist. Patricia inquired what could be done by the Commission regarding the soil scientist's work. After some discussion, members agreed the information should be sent to the Health Commissioner and staff agreed to check with the County Attorney to research the matter and report the information at the next meeting.

The meeting was adjourned at 9:03 p.m.

Respectfully submitted,

Bill Tignor  
Recording Secretary